

Lifting Children and Families Out of Poverty Task Force

Meeting Summary and Notes

January 17, 2018

Meeting Focus: Child Poverty and the Immediate Social Safety Net In California

I. Overview of safety net programs – Carolyn Danielson, PPIC

Presentation highlights:

- Most safety net programs are focused on children (Medi-Cal and SSI are the exceptions).
- The CalFresh and EITC programs have the largest impact on the number of children in poverty.
- Medi-Cal and CalFresh assist the largest number of children in poverty and deep poverty.
- Children still in deep poverty after including safety net resources tend to have accessed fewer programs than their higher income counterparts. Why?

Task Force questions/comments:

- Final point about lack of program participation for children in deep poverty generated discussion about whether the problem is eligibility or lack of outreach/in-reach. Much more on this in later presentations.

II. Federal/State EITC Program – Hilary Hoynes, UC Berkeley

Presentation highlights:

- Federal EITC is the largest anti-poverty program for children in the U.S. 44% of personal income tax filers with children receive the credit.
- Program provides strong work incentive. Induced earnings from EITC account for half of the total anti-poverty effects of the program. Given its work requirement, the EITC has more of an impact on poverty than deep poverty.
- Program has shown positive short-term and long-term effects, including better mental and physical health, increases in children's reading and math test scores, higher educational attainment, and college attendance.
- California EITC was enacted in 2016. California focuses on the lowest earners (in contrast to other states, which mostly allow a percentage of federal credit). This decision was partly due to budget constraints.

- Future options for the State program include: (1) expanding benefits for taxpayers at different points of the phase-in or phase-out ranges; and (2) encourage more participation through, for example, making not-for-profit tax preparation more accessible or utilizing text messaging.

Task Force questions/comments:

- Most discussion was about maximizing participation. One member suggested that California coordinate enrollment into Medi-Cal (and other State programs) with participation in EITC. Medi-Cal is perhaps best at capturing data.
- It was noted that part of the problem is that the lowest earners are not required to file tax returns, and thus are not as likely to take advantage of the EITC. Could behavioral nudges be used to encourage people to file taxes? Currently a project like this is in development between the CDSS CalFresh Division, California Policy Lab, and Berkeley and Stanford researchers.
- It is important to have State data systems that “talk” to one another. Focus should be on “in reach” as well as “outreach.”
- Question was asked about advanced EITC payments. Option was cancelled in 2010 due to lack of participation. Point was made that there are some advantages to receiving a lump sum when return is filed. For example, families could use the refund to pay off medical debt or some other obligation.

III. CalFresh – Hilary Hoynes, UC Berkeley

Presentation highlights:

- Supplemental Nutrition Assistance Program (SNAP) – CalFresh in California. Federally funded (except administration). Second largest anti-poverty program for children. Is not dependent on work.
- Program has both near-term benefits, including reduced food insecurity and reduction in poverty (especially deep poverty), and long-term benefits, such as better health and better educational outcomes.
- Challenge: Only 66 percent of those eligible are in program. Potential remedies include identifying “cold spots” and improving “in-reach.”
 - California Policy Lab has been working with CalFresh to identify opportunities for administrative linkages, starting with a linkage between Medi-Cal and WIC recipients.

Task Force questions/comments:

- Discussion focused on the fundamental importance of the program and concerns about erosion of benefits.
 - Adequate food is crucial to the development and well-being of a child.
 - Benefits often run out before month's end, undermining positive impacts of program.
 - Some states have supplements to federal benefits. One option for CA would be to offset federal erosion that has occurred over the years (\$28/month).
- Discussion also centered on concerns regarding enrollment and retention in the program.
 - Why are SSI recipients not eligible for SNAP benefits?
 - Is there information on why people drop out?

IV. Child Poverty and Medi-Cal – Sara Kimberlin, California Budget and Policy Center

Presentation highlights:

- Medi-Cal affects the poverty rate indirectly by reducing families' spending on health insurance and out of pocket medical expenses.
- Its main benefit is that it mitigates the negative effects of poverty.
- Over 70 percent of children in poverty are enrolled in Medi-Cal. Thus, the program has potential to be used to identify poor children in need of other services.
- It also helps children to the extent that their parents' health affects their ability to work and earn income.

Task Force questions/comments:

- TF discussion focused on access, coverage, and benefits.
- Initial comments were about SB 75 (Medi-Cal for all children, regardless of immigration status), and importance of universal access to full range of health services, including mental health.
- Question was raised about why 27 percent of children in deep poverty are not enrolled in Medi-Cal? PPIC is following up.
- Question was also raised about what other states have done to expand child eligibility and adult access to various services.
- Impact of language barriers on access and utilization was noted.
- Perhaps CA should revisit policy priorities – point was made that when a child is put in juvenile hall, parents' eligibility are no longer linked to child's.

V. SSI/SSP and Child Poverty – Sara Kimberlin, California Budget and Policy Center

Presentation highlights:

- SSI/SSP not specifically targeted to families with children, but provides significant resources for those who receive it. Over 400,000 children live with someone who receives SSI/SSP.
- There are limits to targeting State resources to children in poverty through SSI/SSP, given federal rules.
- SSI's strict disability criteria and complex application process prevents some parents from qualifying even though they have conditions that limit their success in work.

Task Force questions/comments:

- Can the State do more to help guide individuals through the lengthy federal application process?
- CA does have some control over interaction between SSI and other programs. The example mentioned was CalWORKs' disregard of SSI income in its eligibility determination.

VI. Child poverty and CalWORKS – Carolyn Danielson, PPIC

Presentation highlights:

- CalWORKs has the third largest anti-poverty impact for children (behind CalFresh and EITC). 81 percent of recipients are children.
- About 42 percent of program expenditures are for cash assistance, higher than other states. Rest is for job training, education etc.
- Number receiving cash grants fell from 2.7 million in 1995 to 1.1 million in mid-2017. Despite decline, California program assists 65 out of every 100 in poverty, compared to the national average of 23 out of 100.
- California's maximum grant, phase-out level, and time limits are all moderate relative other states. Average grants have fallen in inflation-adjusted terms from pre-recession levels.
- Research suggests that TANF helps some families but worsened extreme poverty. It shows that (1) TANF has raised employment among single mothers, but (2) it has been associated with a rise in "disconnection."
- Welfare reform experiments indicate that more income, rather than employment, is behind improved outcomes.

Task Force questions/comments:

- There were several questions/comments about grant levels. Many comments were that current grant levels do not adequately provide for the well-being of children. Effectiveness of CalWORKs as an anti-poverty program has been hampered by decline in benefits.
 - CA grant (maximum or average?) has fallen from 70 percent to 40 percent of poverty level over past couple of decades.
 - Other factors may also be limiting the effect of the program, including policies concerning income disregards.
- Specific questions:
 - Regarding the theory behind the TANF that cash grant is only one of several services provided to help move families out of poverty - "How well is that working?"
 - How much would grants have to increase to reduce poverty rate by 50 percent?
- How do we address high costs for (especially) housing and childcare?
 - Section 8 housing benefits are like the lottery – a few "winners" get subsidized but most don't.
 - Suggestion: Provide a supplemental cash grant under CalWORKs based on cost of housing, using, for example, the HUD "fair market rent" measures as guidelines.
- Focus of TF then turned to ways to expand enrollment in anti-poverty programs.
 - When an individual signs up for Medi-Cal, is that an opportunity to look at eligibility for other programs? Perhaps use community-based organizations to fill this roll.
 - Point made by that there are prompts in current State systems for cross-eligibility between Medi-Cal, CalWORKs, CalFresh, and EITC, but there are also challenges, since different programs have different eligibility standards (some based on family income, others based on individual circumstances).
 - Perhaps it is time to renew efforts to increase uptakes (e.g., placing a human services representative in EDD employment centers). Past pilot efforts (Santa Clara County) showed initial promise but faded.
 - Promise neighborhood cross-training efforts could be used to identify and leverage more public sector dollars.
 - At a higher level, are there ways to simplify the multiple application process?
 - In home visiting programs, should one session be devoted solely to identifying eligibility and/or applying for various anti-poverty programs?
 - Technology such as portable scanners could be utilized for on-the-spot in home visiting sessions to help client provide supporting documentation.

VII. California's Capacity to Monitor Poverty, Evaluate Antipoverty Programs, and Project Poverty Rates – David Grusky, Stanford

Presentation highlights:

- There are many limitations with current data systems. Some examples: under-reporting of transfers and benefits; infrequent and delayed reporting; and low resolution. AB 1520 will ramp up demands on an already inadequate system.
- Work is proceeding on a new integrated system. Ultimate goal is to link cross-sectional data from ACS, vital records, State administrative data, homeless surveys, and California tax records. Data will be integrated into a panel that can be tracked over time.
- Many payoffs were cited in the presentation, including the ability to measure long-run and intergenerational effects of interventions; ability to track heterogeneity of effects by poverty type, demographic group, or neighborhood; and the ability to track the impact of program interactions.
- Challenges: Data agreements, full State/federal participation. Outlook is promising, but likely to take 3-5 years to fully implement.

Task Force questions/comments:

- TF sought more information on where we are in this process. David indicated that they've made progress on administrative data from HHS and FTB. Thought they may have some preliminary data from those two sources by November, but this is a multi-year project.
- Concerns were raised about how to guard data and maintain confidentiality of (especially) data from immigrant community.
- Is a law change needed to facilitate linkage of data sources? Will pointed out that, from his perspective, authority currently exists, but county counsels have different perception.
- Hilary noted that the Federal Commission for Evidence-Based Policy Making (of which she is a member) is focused on the proper balance between data needs and confidentiality.

VIII. Issues Raised During Public Comments Period

- SEIU representative noted that County workers need adequate resources to perform added tasks related to eligibility determination, etc.
- Comment was made that we need metrics besides "return on investment." Evaluations should be rounded to include qualitative indicators of psychological well-being, reduced stress etc. David indicated that qualitative indicators are included in the current major data project.

- More information is needed about the undocumented community. California has made a commitment to protect this community; we now need more information.
- What other information should we be looking for? (e.g., what causes someone to move from poverty to deep poverty?)